

MNF Group Limited (ASX: MNF)
 15 August 2017

MNF reports record full year result exceeding forecast. EBITDA up 34% to \$23.9m, NPAT up 34% to \$12.1m.

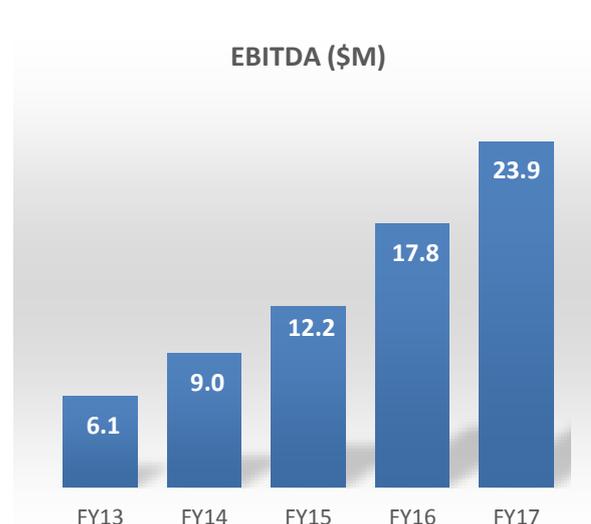
The Board of global high-quality voice communications specialist MNF Group (MNF) are very pleased to report an excellent profit result for the full year ending 30 June 2017.

Earnings before interest expense, tax, depreciation and amortisation (EBITDA) rose by 34% to \$23.9 million, on total revenue of \$191.8 million. This produced a final net profit after tax (NPAT) of \$12.1 million which is well ahead of the company's published forecast.

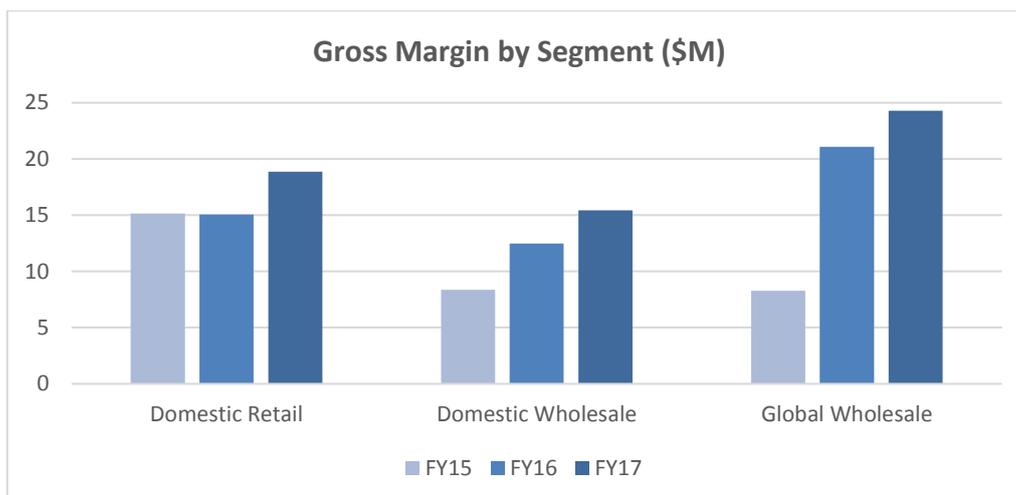
The total dividend for the full year has increased to 8.25 cents per share fully franked representing 50% of NPAT, with the company declaring a final dividend of 4.50 cents per share.

"Our performance this year is largely a result of organic growth within all three segments of the business – Domestic Retail, Domestic Wholesale and Global Wholesale." said MNF Group's CEO, Mr. Rene Sugo. "The business, as a whole, has been focussed on growing our more valuable high margin products with recurring revenue, and moving away from some of the lower margin usage based products. The company expects this transformational trend to continue well into the future as consumers and businesses quickly act to embrace our new MNF powered applications, driven by roll out of the NBN." Sugo added.

Result	FY16	FY17	Change
Revenue	\$161.2m	\$191.8m	Up 19%
EBITDA	\$17.8m	\$23.9m	Up 34%
NPAT	\$9.0m	\$12.1m	Up 34%
Dividend	7.0cps	8.25cps	Up 18%
EPS	13.45cps	17.32cps	Up 29%



"The Domestic Retail segment this year demonstrated strong underlying organic growth complemented with the CCI acquisition earlier in the year. The Domestic Wholesale segment continues its ongoing strong growth with its gross profit contribution up a very solid 24% on last year. We are also very pleased with the Global Wholesale segment which achieved solid growth of 15% driven from the uptake of new generation services." said MNF Group CEO, Mr Rene Sugo. "The CCI acquisition integration is going to plan with the network integration largely completed, ensuring a full year of synergies in FY18." added Sugo.



CCI Post-Acquisition Update:

The integration of the CCI acquisition is progressing well, with all major project milestones for the year having been achieved. These include – staff integration, finance integration, network integration and number porting to our network. The CCI business is itself performing well, meeting all pre-acquisition expectations for the first 5 months.

Business Outlook and Guidance:

The MNF Group has been operating in three well defined segments – Domestic Retail, Domestic Wholesale and Global Wholesale. Each segment contains strong diversity in terms of customers, products and revenue streams. All segments operate in our core area of expertise, being: enabling new and disruptive communications through software development and network deployment. Each segment has a well-defined strategy for investment & expansion to produce strong and sustainable organic growth, now and well into the future.

The company has adopted a four-dimensional growth strategy:

- Growth by **geographic expansion** – driven by the Global Wholesale segment as the company invests in additional network assets in new countries through-out the Asia-Pacific Region.
- Growth by **enhancing software capabilities** – driven by the company’s pedigree of software innovation, continuing to expand its suite of communications software products and services.
- Growth by **customer acquisition** – as the company grows its market share domestically and globally, by acquiring new wholesale, business, enterprise and government customers.
- Growth by **customer expansion** – as existing wholesale customers domestically and globally grow their own user base, these customers continue to acquire incremental capabilities from our company.

The company believes it is well placed to execute this growth strategy in the short and longer term, and continue to deliver sustainable profit growth for shareholders.



The Board believes that MNF Group has demonstrated its ability to harvest value from accretive acquisitions and integrate them quickly & effectively to improve the overall performance of the business. With a discerning and conservative approach, we will continue to actively search for further acquisition opportunities; whilst we remain totally committed to driving growth and performance within the business.

There will be a teleconference and results presentation held on Tuesday 15 August at 3:00 pm AEST. For details please check <http://mnfgroup.limited/investors> A recorded version of this presentation will be made available for later viewing at the same web address.

ENDS

About MNF Group Limited

MNF Group Limited, (ASX: MNF) is an integrated telecommunications software and network provider, specialising in Internet communications. MNF Group was founded in 2004 and listed on the ASX in 2006. The company has 72.8 million shares on issue and has operated profitably since 2009 paying dividends to its shareholders every six months since September 2010.

The Group operates a global Smart Network carrying over 6 billion voice minutes per annum, with Points of Presence (POPs) in Los Angeles, New York, Hong Kong, Singapore, London, Frankfurt, Sydney and Auckland. Domestically, the Group operates the largest, fully interconnected IP Voice network in Australia.

MNF Group has a reputation for quality, value and innovation, being the recipient of numerous awards including the ACOMMS award for innovation (2017, 2016), Edison Award (2017), the Australian Growth Company Awards (2016), the iAwards for Innovation (2016), Forbes Asia's 200 Best Under a Billion (2014 & 2015), Deloitte Technology Fast 50 (2008, 2009, 2010, 2012, 2013, 2014) and CeBIT Outstanding Project Award (2013), and many more.

MNF Group companies includes retail brands: MyNetFone, Connexus, CallStream, PennyTel and The Buzz; conferencing brands Ozlink, Eureka, Express Virtual Meetings and wholesale brands TNZI, Symbio Networks and iBoss.

For further information about MNF Group Limited please visit: <http://mnfgroup.limited/>